GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:5691
ANSWERED ON:07.04.2017
Woman Directors
Dhotre Shri Sanjay Shamrao;Shewale Shri Rahul Ramesh;Singh Shri Satya Pal

Will the Minister of FINANCE be pleased to state:

(a) whether large number of listed companies have not appointed woman directors in their board despite the directions issued by the Securities and Exchange Board of India (SEBI) in the year 2015;
(b) if so, the details thereof, companywise and the reasons therefor;
(c) whether the Government/SEBI has conducted any enquiry in this regard;
(d) if so, the details and outcome thereof and if not, the reasons therefor;
(e) whether the Government/SEBI has received complaints for non-compliance of its directions pertaining to appointment of woman directors and other matters by such listed companies during each of the last three years and the current year; and
(f) if so, the details thereof along with the action taken/being taken by the Government on such complaints so far and the other steps taken/being taken by the Government/SEBI to ensure compliance of its directions by the listed companies?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE

(SHRI ARJUN RAM MEGHWAL)

(a) and (b): The Securities and Exchange Board of India (SEBI) has mandated the listed companies to appoint at least one woman director on their boards, applicable with effect from 1st April, 2015. Regulation 17(1)(a) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 mandates listed companies to appoint at least one woman director on their boards. The status of compliance by listed companies as on 31st December, 2016, as per the data provided by SEBI, is as follows:

Particulars Bombay Stock Exchange (BSE) National Stock Exchange (NSE)
Total number of listed major companies required to appoint Women Director* 4192 1721
Number of suspended non-compliant companies 923 138
Number of active companies 3269 1583
Number of active compliant companies 3028 1530
Percentage of active compliant companies 92.63% 96.65%
Source: SEBI
*Companies having equity share capital exceeding Rs. 10 crore and net worth not exceeding Rs.25 crore as on the last day of previous financial year.

The company-wise details of active and suspended listed companies which have not appointed women directors as on 31st December, 2016 are placed at Annexure I and Annexure II respectively.

Contdâ€¦
-2-

(c) and (d): SEBI has been seeking compliance status with regard to the appointment of women directors on the boards of listed companies from the stock exchanges on a regular basis due to which 92.63% and 96.65% of the active companies on the BSE and NSE respectively are in compliance with this requirement. Further, SEBI, vide its Circular dated 8th April, 2015, has prescribed the fine structure for non-compliance with the said regulatory requirement. Accordingly, the stock exchanges have imposed fines on the listed entities which have not appointed women directors on their boards.

(e) and (f): SEBI has informed that it has not received any complaints for non-compliance of its directions pertaining to appointment of women directors and other matters by such listed companies during each of the last three years and the current year.

With regard to the steps taken to ensure compliance with its directions by the listed entities, SEBI, vide its Circular dated 8th April, 2015, has prescribed the fine structure for non-compliance regarding appointment of women directors on the boards of listed entities. The details of the same are as follows:

Compliance Status Fine Structure
Listed entities complying between 1st April, 2015 and 30th June, 2015 Rs.50,000/-
Listed entities complying between 1st July, 2015 and 30th September, 2015 Rs.50,000 + Rs1000/- per day with effect from 1st July, 2015 till the date of compliance
Listed entities complying on or after 1st October, 2015 Rs.1,42,000/- + Rs5000/- per day from 1st October, 2015 till the date of compliance

Source: SEBI

Accordingly, the stock exchanges have imposed fines on the listed entities which have not appointed women directors on their boards.

*****